

WATER/DON/:jlj

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION**  
**Water Advisory Branch**

**RESOLUTION NO. W-4322**  
**February 7, 2002**

**R E S O L U T I O N**

**(RES. W-4322), MAR VISTA WATER COMPANY, (MVWC).  
ORDER AUTHORIZING AN OFFSET RATE INCREASE OF  
\$3,617 OR 5.9% IN ADDITIONAL REVENUE DUE TO  
PURCHASED POWER COSTS.**

---

**SUMMARY**

By Advice Letter 28, received December 4, 2001, MVWC seeks to increase rates by \$3,617 or 5.9% to cover expenses incurred in purchased power costs. The increase will not result in a rate of return greater than last authorized for MVWC.

**BACKGROUND**

MVCW requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to adjust rates to offset the increase in its purchased power costs.

Pursuant to Commission Decisions (D.) 01-03-082, and D.01-05-064, Southern California Edison Company (SCE) and Pacific Gas & Electric Company (PG&E) were granted rate surcharges of \$0.01 and \$0.03, respectively, per kilowatt-hour due to the recent increase in wholesale electricity costs. As a result of the surcharge granted to PG&E, MVWC is seeking to increase its water rates by \$3,617 to offset the estimated increase in purchased power.

**NOTICE AND PROTESTS**

Notice of the proposed rate increase was published in "The Santa Cruz Sentinel" on November 7, 2001, a newspaper of general circulation. The Water Division received no letters objecting to the increase.

## **DISCUSSION**

Pursuant to D.01-03-082, and D.01-05-064, PG&E's surcharge rates have resulted in a \$3,617 increase in purchased power costs for MVWC.

Since MVWC has both flat rate and metered customers, MVWC is requesting the increase in purchased power costs be prorated to the flat rates and metered rates based on the latest recorded revenues. Water Division has no objection.

MVWC's Summary of Earnings, submitted with this Advice Letter, indicates MVWC is earning a negative rate of return on a recorded basis. Res. W-4132, dated February 4, 1999, authorized MVWC a rate of return of 13.31 percent, therefore, MVWC is not over earning its authorized rate of return. The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, changes in items that have occurred or were mandated since the present rates became effective. This rate increase will not result in a return greater than that previously authorized.

## **FINDINGS**

1. The Commission finds, after investigation by the Water Advisory Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

## **THEREFORE IT IS ORDERED THAT:**

1. Mar Vista Water Company is authorized, five days after the effective date herein, to make effective the revised rate Schedules Nos.1A, Annual Metered Service, and 2AR, Annual Residential Flat Rate Service, attached to Advice Letter 28 and to concurrently cancel the presently effective rates.
2. Mar Vista Water Company, Inc. is directed to maintain a balancing account as required by Public Utilities Code Section 792.5.

February 7, 2002

3. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on February 7, 2002; the following Commissioners voting favorably thereon:

---

WESLEY M. FRANKLIN  
Executive Director

LORETTA M. LYNCH  
President

HENRY M. DUQUE

RICHARD A. BILAS

CARL W. WOOD

GEOFFREY F. BROWN

Commissioners

